

**TOWN OF GAGE
ELLIS COUNTY, OKLAHOMA**

**AGREED UPON PROCEDURE REPORT
AND
FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED
JUNE 30, 2013**

**WILLIAM K GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA**

**TOWN OF GAGE
ELLIS COUNTY, OKLAHOMA
TOWN COUNCIL AND OFFICERS**

July 2012 to April 2013:

Carol Froage
Richard Chapman
Troy Long
BG Woods
Virginia Mann

Mayor
Trustee
Trustee
Trustee
Trustee

May to June 2013:

Richard Chapman
Gary Wolfington
Troy Long
Leon Woods
Virginia Mann

Mayor
Trustee
Trustee
Trustee
Trustee

Janet Pierce
Laurie Hays-Thompson

Town Clerk/Treasurer
Town Attorney

WILLIAM K. GAUER

CERTIFIED PUBLIC ACCOUNTANT

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**

Independent Accountant's Report

To the Specified Users of the Report:

Town Board, Town of Gage
Gage, Oklahoma

Trustees of the Gage Public Facilities Authority
Tupelo, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

I have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Gage and Public Trusts, Example, Oklahoma as of June 30, 2013 and the related Budgetary Comparison Schedule of General Fund-Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Public Facilities Authority-Cash Basis, and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2013. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. I have not audited or reviewed the financial statements referred to above, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis described above.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and the requirements of Oklahoma Statutes and for designing, implementing, and maintain internal controls relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide an assurance that there are no material modifications that should be made to the financial statements.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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Town of Gage and Public Trust

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Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, I have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2012. Management of the Town of Gage is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Gage** as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: None

2. Procedures Performed: From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (see accompanying Exhibit B) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: None

3. Procedures Performed: We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: On April 5, 2013, warrant or check number 10465 was issued to Oklahoma State Bank in the amount of \$75,000. No transaction was recorded as a disbursement or transfer within the clerk's records. New savings account was verified and agreed.

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4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

5. **Procedures Performed:** We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Gage Public Facilities Authority**, as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit C) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: None

2. Procedures Performed: We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

3. Procedures Performed: We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

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4. Procedures Performed: We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None

5. Procedures Performed: We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Town of Gage and Public Authorities' Grant Programs**, as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit D) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: Grant schedule of activity needs to include CFDA and other identifying contract numbers or information.

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.



September 30, 2012

Exhibit A
Town of Gage
Summary of Changes in Fund Balances - Cash Basis
For the Year Ended June 30, 2013
(Unaudited)

	Beginning of Year	Current Year Change		End of Year
	Fund Balances	Receipts	Disbursements	Fund Balances
TOWN:				
Governmental Fund Types:				
General Fund				
Checking	\$ 61,960	\$ 376,253	\$ 329,996	\$ 108,218
Savings	187	0	-	188
Savings, Sales Tax Reserve	-	75,018	-	75,018
Certificate of Deposit	195,000	781	781	195,000
Total General Fund	257,147	452,053	330,777	378,423
Municipal Court Fund	1,446	2,455	508	3,392
Total Governmental Fund Types	258,593	454,508	331,285	381,816
Special Revenue Fund Types:				
Library Fund				
Fire Department Fund	106	125	-	231
Checking	3,155	5,884	6,960	2,079
Savings	18,447	18	-	18,465
Certificate of Deposits	21,251	117	-	21,368
Total Fire Department Fund	42,852	6,019	6,960	41,912
REAP Grant Fund	-	-	-	-
Cemetery Fund	3,441	2,720	203	5,958
Total Special Revenue Fund Types	46,399	8,864	7,163	48,101
Capital Project Fund Types:				
Airport Improvement Fund				
Checking	15,208	-	1,655	13,553
Savings	75,906	357	-	76,263
Certificate of Deposits	177,083	762	281	177,563
Total Airport Improvement Fund	268,197	1,119	1,936	267,380
Sewer Savings Fund	10,870	1,812	-	12,681
Total Capital Project Fund Types:	279,067	2,931	1,936	280,061
Town Subtotal	584,059	466,303	340,384	709,978
PUBLIC FACILITIES AUTHORITY:				
PFA Utilities Fund	4,895	151,380	152,289	3,986
PFA Capital Asset (Fixed Assets)	350,959	-	-	350,959
PFA Subtotal	355,854	151,380	152,289	354,945
Overall Totals	\$ 939,914	\$ 617,683	\$ 492,674	\$ 1,064,923

Exhibit B
Town of Gage
Budgetary Comparison Schedule General Fund - Cash Basis
For the Year Ended June 30, 2013
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Resources (Inflows):				
Taxes:				
Sales Taxes	75,000	75,000	154,664	79,664
Franchise Tax	15,000	15,000	14,736	(264)
Use Tax	2,500	2,500	194	(2,306)
Tobacco Tax	750	750	2,192	1,442
Savings, Sales Tax Reserve	0		#	
Total Taxes	93,250	93,250	171,786	78,536
Intergovernmental:				
Motor Vehicle Tax	2,750	2,750	2,800	50
Alcoholic Beverage Tax	1,500	1,500	16,314	14,814
Gas Excise Tax	750	750	1,001	251
Grants	-	-	-	-
Total Intergovernmental	5,000	5,000	20,116	15,116
Investment Income	1,500	1,500	814	(686)
Miscellaneous Income				
Rental	12,500	12,500	18,035	5,535
Royalty	600	600	937	337
Cemetery	-	-	65	65
Fireworks Donations	700	700	-	(700)
Fire Department Donation	-	-	-	-
Sale of Surplus	-	-	-	-
Miscellaneous	3,320	3,320	12,770	9,450
Total Miscellaneous Income	17,120	17,120	31,807	14,687
Other Financing Sources:				
Transfer from GFA	90,250	90,250	151,749	61,499
Transfer From Prior Years Surplus	288,500	288,500	257,147	(31,353)
Transfer from Municipal Court Fund	-	-	-	-
Transfer from Airport Improvement Fund	-	-	-	-
Amounts available for appropriations	495,620	495,620	633,419	137,799
General Government:			376,271	
Personal Services	150,000	150,000	111,710	(38,290)
Maintenance and Operations	135,000	135,000	104,462	(30,538)
Contract Services	40,000	40,000	38,823	(1,177)
Capital Outlay	25,000	25,000	-	(25,000)
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	350,000	350,000	254,996	(95,004)
Ending Budgetary Fund Balance	<u>\$ 145,620</u>	<u>\$ 145,620</u>	<u>\$ 378,423</u>	<u>\$ 232,803</u>

Exhibit C
Gage Public Facilities Authority
Budgetary Comparison Schedule Public Facilities Fund - Cash Basis
For the Year Ended June 30, 2013
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive (Negative)</u>
Resources (Inflows):				
Charges for Services:				
Water Sales	24,150	24,150	67,053	42,903
Trash Removal	21,427	21,427	50,964	29,537
Sewer Sales	17,131	17,131	29,628	12,497
Late Fees	2,118	2,118	3,103	985
Total Charges	64,826	64,826	150,749	85,923
Investment Income	22	22	12	(10)
Miscellaneous Income				
DEQ Reimbursement	-	-	-	-
Deposits Received	-	-	567	567
Returned Checks	-	-	10	10
Total Miscellaneous Income	-	-	577	577
Other Financing Sources:				
Transfer from Prior Years Surplus	-	-	4,895	4,895
Transfer from Other Funds	-	-	-	-
Amounts available for appropriations	64,848	64,848	156,233	91,385
General Government:				
Personal Services	-	-	-	-
Maintenance and Operations	-	-	498	498
Contract Services	-	-	-	-
Capital Outlay	-	-	-	-
Other Financing Uses:				
Transfers to General Fund	61,606	61,606	151,749	90,143
Total Charges to Appropriations	61,606	61,606	152,247	90,641
Ending Budgetary Fund Balance	<u>\$ 3,242</u>	<u>\$ 3,242</u>	<u>\$ 3,986</u>	<u>\$ 744</u>

Exhibit D
Town of Gage
Budgetary Comparison Schedule Airport Improvement Fund - Cash Basis
For the Year Ended June 30, 2013
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Resources (Inflows):				
Investment Income	-	-	1,119	1,119
Miscellaneous Income				
FAA Grant	-	-	-	-
Reimbursement	-	-	-	-
Miscellaneous	-	-	-	-
Total Miscellaneous Income	-	-	-	-
Other Financing Sources:				
Transfer from Prior Years Surplus	-	-	268,197	268,197
Transfer from Other Funds	-	-	-	-
Amounts available for appropriations	-	-	269,316	269,316
General Government:				
Personal Services	-	-	-	-
Maintenance and Operations	-	-	1,655	1,655
Contract Services	-	-	-	-
Capital Outlay	-	-	-	-
Other Financing Uses:				
Transfers to General Fund	-	-	281	281
Total Charges to Appropriations	-	-	1,936	1,936
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,380</u>	<u>\$ 267,380</u>

Exhibit E
Town of Gage
Statement of Grant Receipts and Disbursements - Cash Basis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	<u>Beginning of Year Unexpended Grant Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Unexpended Grant Funds</u>
TOWN:				
OEEDA REAP Grants	\$ -	\$ -	\$ -	\$ -
OK Department of Commerce	-	-	-	-
Department of Agriculture	-	-	-	-
Town Subtotal	-	-	-	-
PUBLIC FACILITIES AUTHORITY:				
	-	-	-	\$ -
PFA Subtotal	-	-	-	-
Overall Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>